

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07  
CEA-01 /100 W  
-----128260 070303Z /75  
R 061737Z MAR 78  
FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC 0056

UNCLAS KINGSTON 2359

E.O. 11652: N/A  
TAGS: EFIN, JM  
SUBJECT: CONSORTIUM OF FOUR COMMERCIAL BANKS TO LEND  
GOJ US\$40 MILLION

1. ACCORDING TO PRESS REPORTS OF MARCH 2 AND 3, A SHORT-TERM LOAN OF US\$40 MILLION HAS BEEN GRANTED TO THE GOJ BY A CONSORTIUM OF FOUR COMMERCIAL BANKS WITH INTERNATIONAL CONNECTIONS TO ASSIST JAMAICA WITH ITS CURRENT CRITICAL FOREIGN EXCHANGE PROBLEM.
2. THE BANKS ARE THE BANK OF COMMERCE JAMAICA LIMITED, BANK OF NOVA SCOTIA JAMAICA LIMITED, ROYAL BANK JAMAICA LIMITED AND FIRST NATIONAL CITY BANK.
3. THE LOAN WILL BE FOR A PERIOD OF UP TO 90 DAYS WITH INTEREST RATE AT 9 1/4 PER CENT, AND IS IN ADDITION TO OTHER SHORT-TERM ASSISTANCE TOTALLING US\$18 MILLION GRANTED BY THE LOCAL BANKING COMMUNITY IN NOVEMBER 1977 AND JANUARY 1978.
4. THE REPORT QUOTED A STATEMENT ON BEHALF OF THE CONSORTIUM STATING THAT "FOR SOME TIME NOW THE COMMERCIAL BANKS HAVE BEEN CONCERNED WITH THE CONTINUING DETERIORATION

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IN THE COUNTRY'S FOREIGN EXCHANGE POSITION, WITH THE RESERVES DECLINING TO MINUS \$201 MILLION NET AT THE END OF DECEMBER 1977. THIS HAS SEVERELY AFFECTED THE COUNTRY'S ABILITY TO MEET FOREIGN COMMITMENTS AND MAINTAIN THE FLOW OF ESSENTIAL GOODS AND RAW MATERIALS TO SATISFY THE REQUIREMENTS OF BOTH CONSUMERS AND PRODUCTIVE SECTOR." ACCORDING TO THE STATEMENT, THIS LOAN IS INTENDED

TO EASE THE SITUATION "PENDING THE CONCLUSION OF NEW  
NEGOTIATIONS WITH THE INTERNATIONAL MONETARY FUND FOR  
LONGER-TERM FINANCING ARRANGEMENTS."  
HAVERKAMP

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK CONSORTIUMS, COMMERCIAL BANKS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780101-0879  
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**Review Markings:**  
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